

COLA (13TH CHECK) FACT SHEET

All PERS retirees and beneficiaries who have been receiving an allowance from PERS for **at least one full fiscal year** are eligible to receive an Annual Benefit Adjustment to the retirement benefit. The state's fiscal year is July 1st through June 30th. A member retiring effective July 1st, would be eligible for an Annual Benefit Adjustment during the fiscal year beginning twelve (12) months later on July 1st. But if a member retired effective August 1st, the first Annual Benefit Adjustment would be paid during the fiscal year beginning July 1st, 23 months after the effective date of retirement.

PERS/SLRP Benefit Recipients:

Annual Benefit Adjustment Calculation :

Step 1- Multiply the monthly base benefit by twelve (12) to obtain the annual base benefit.

Step 2- Multiply the number of full state fiscal years in retirement prior to age 55 by 3% and multiply that percentage by the annual base benefit found in Step 1 above.

Step 3- Using the number of full state fiscal years in retirement beginning with the year in which the member reached age 55, find the appropriate factor in the table below under the 3% Compound Interest Table. Then multiply the percentage factor from the Table by the annual base benefit found in Step 1.

Step 4- Add the amounts calculated in Steps 2 and 3 to determine the Annual Benefit Adjustment.

There are two (2) payment methods for receiving the Annual Benefit Adjustment:

1. The recipient may receive the entire payment in a lump sum on December 15th of each **year provided that the recipient is entitled to a retirement allowance on December 1st to be eligible for the Annual Benefit Adjustment;** or
2. The recipient may **irrevocably** elect to receive the Annual Benefit Adjustment in twelve (12) equal monthly installments throughout the fiscal year beginning in July of each year.

MHSPRS Benefit Recipients:

Annual Benefit Adjustment Calculation:

Step 1 - Multiply the monthly base benefit by twelve (12) to obtain the annual base benefit.

Step 2 - Multiply the number of full state fiscal years in retirement prior to age 60 by 3% and multiply that percentage by the annual base benefit found in Step 1 above.

Step 3 - Using the number of full state fiscal years in retirement beginning with the year in which the member reached age 60, find the appropriate factor in the table below under the 3% Compound Interest Table. Then multiply the percentage factor from the Table by the annual base benefit found in Step 1.

Step 4 - Add the amounts calculated in Steps 2 and 3 to determine the Annual Benefit Adjustment.

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2. The recipient may **irrevocably** elect to receive the Annual Benefit Adjustment in twelve (12) equal monthly installments throughout the fiscal year beginning in July of each year.

To receive the Annual Benefit Adjustment in a lump sum on December 15th of each year, no election form is required. Generally, total COLA benefits are the same under any payment option. A possible exception exists in the year in which the retiree or beneficiary dies and benefits cease.

ANNUAL BENEFIT ADJUSTMENT CALCULATION INTEREST TABLE

YEAR	SIMPLE	COMPOUND	YEAR	SIMPLE	COMPOUND
1	.0300	.0300	16	.4800	.6047
2	.0600	.0609	17	.5100	.6528
3	.0900	.0927	18	.5400	.7024
4	.1200	.1255	19	.5700	.7535
5	.1500	.1593	20	.6000	.8061
6	.1800	.1941	21	.6300	.8603
7	.2100	.2299	22	.6600	.9161
8	.2400	.2668	23	.6900	.9736
9	.2700	.3048	24	.7200	1.0328
10	.3000	.3439	25	.7500	1.0938
11	.3300	.3842	26	.7800	1.1566
12	.3600	.4258	27	.8100	1.2213
13	.3900	.4685	28	.8400	1.2879
14	.4200	.5126	29	.8700	1.3566
15	.4500	.5580	30	.9000	1.4273